



Special Report

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The Recovery Act: Creating Jobs and Making a Difference in Illinois

Earlier this year, the Democratic Congress worked with President Obama to enact the *American Recovery and Reinvestment Act* (the *Recovery Act*) in an effort to rescue, rebuild, and strengthen our struggling national economy. Eight years of failed fiscal policies and misguided economic priorities had left our national economy on the brink of disaster, and now – only nine months later – our economy is on the brink of recovery. The *Recovery Act* and the efforts of American businesses and workers, like those in Illinois, made this progress possible.

Despite this encouraging news, Democrats know that many Illinoisans are still struggling, and unemployment – a lagging economic indicator – remains far too high. In response, Democrats are working to create and save millions of jobs with *Recovery Act* dollars and tax relief. Already, with more than half of the dollars yet to be spent, the recovery package has provided for more than one million jobs and the rate of job loss has slowed significantly. As we look toward the future, Democrats believe that the *Recovery Act*, combined with the American work ethic and ingenuity, will continue to make a difference for families in Illinois and will deliver on its promise to rebuild our economy and get Illinoisans back to work.

The Recovery Act is Creating Jobs and Making a Difference

Last week, the White House announced that certain recipients of *Recovery Act* funds have reported the creation of 640,329 direct jobs. About 325,000 of these jobs are in education and over 80,000 are in construction. These numbers, however, represent only about 16 percent of expenditures through September 30 and do not reflect the majority of *Recovery Act* funding to date, which has gone directly to individuals and states, including:

- Tax relief for businesses and working families;
- Small business loans, which are exempt from reporting;
- The first-time homebuyer tax credit;
- Direct federal aid, including \$250 direct stimulus checks, enhanced unemployment benefits, increased food stamp benefits for vulnerable families; and
- State fiscal relief, which prevented job cuts at the state and local government level.

Moreover, the reported data does not capture indirect or induced jobs created when prime contractors hire suppliers or other companies to complete projects or when newly employed workers spend their pay checks. It is estimated that, if included, indirect jobs would add

another 50 percent or more to the direct jobs numbers and induced jobs would add an additional 36 percent. [Office of the Vice President, [10/30/09](#); CBPP, [10/28/09](#)]

Taken as a whole, the reported data confirms earlier estimates that the *Recovery Act* would create or save over one million jobs by now, even though less than half of the *Recovery Act* funds have been put to work. [Office of the Vice President, [10/30/09](#)]

Moreover, without the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse.

- According to Congressional Budget Office (CBO) projections, “The effect of the stimulus legislation on the level of economic activity will probably build during the second half of 2009 [and] have its maximum impact in the first half of 2010... CBO estimates that real GDP will be 1.4 percent to 3.8 percent higher in the fourth quarter of 2009 than it would have been without the stimulus, 1.1 percent to 3.4 percent higher in the fourth quarter of 2010, 0.4 percent to 1.2 percent higher in the fourth quarter of 2011, and zero to 0.3 percent higher by the fourth quarter of 2013.” [CBO, [8/09](#)]
- These estimates were bolstered by third quarter growth when, for the first time in more than a year, the economy expanded, and, at 3.5 percent, it expanded faster than expected. [*Wall Street Journal*, [10/29/09](#)]
- According to economist Mark Zandi, “The research of Moody’s Economy.com suggests that a million fewer jobs would exist today, while the unemployment rate would already have risen well into double digits.” [Testimony before the Joint Economic Committee, [10/29/09](#)]

The Recovery Act is Creating Jobs and Making a Difference in Illinois

In Illinois, this partial reporting indicates that 24,448 jobs have been created or saved by funding 2,094 awards worth \$6,425,353,559, of which \$2,475,986,702 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)]

Similar to the national number, this validates the White House’s earlier estimates that the *Recovery Act* is responsible for saving or creating 50,400 jobs so far for Illinoisans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Illinois is on track to benefit from a total of 148,000 *Recovery Act* jobs.** [The White House, [2/2009](#)]

These numbers alone cannot adequately convey the human impact of the jobs that are supported by the *Recovery Act* – the real-life stories of local companies that can hire new employees, workers who are no longer faced with uncertainty, and families that no longer need to struggle to pay their bills. The following is a sampling of some of the local *Recovery Act* success stories in Illinois:

Naperville will use *Recovery Act* funding to upgrade the city's electric service. “Naperville will be awarded \$10.9 million to upgrade the city's electric service as part of a \$3.4 billion renewable energy program President Barack Obama announced Tuesday. The Naperville project is one of 100 nationally aimed at modernizing the nation's power grid and supporting renewable energy.... The grant will allow the city to deploy more than 57,000 smart meters and install the needed infrastructure. The meters will allow consumers to follow in real-time the cost of electricity consumption, therefore getting them involved in lowering their costs by

shifting their use of power. As Poole explained, it is 'cheaper to use power at night than during the peak time.' The higher the demand, the higher the costs... The \$3.4 billion in grants from the government's January economic stimulus program will be matched by \$4.7 billion in private investments. The smallest grant will be \$400,000 and the largest \$200 million..." [*Daily Herald*, 10/28/09]

Recovery Act will help expand existing research projects at two Illinois medical school campuses and at the Simmons Cooper Cancer Institute at SIU; new personnel will be hired and equipment purchased. "The research projects of 14 faculty members at Southern Illinois University School of Medicine in Springfield and Carbondale were awarded grants totaling nearly \$2.61 million by the National Institutes of Health. The funds were granted through the American Recovery and Reinvestment Act for the expansion of existing projects and or new research in fields including aging, hearing, infectious diseases, cancer and neurobiology. The grants are to be used to hire personnel and purchase supplies and equipment. Most of the awardees are research scientists at the two medical school campuses, and several are members of the research team at the *SimmonsCooper Cancer Institute* at SIU in Springfield." [*St. Louis Business Journal*, 10/21/09]

Recovery Act funding will bankroll three hours of daily overtime for 44 officers. "Mayor Daley today threw more money and police bodies at a daunting problem no closer to being solved than at any time during his 20-year tenure: the bloodbath on Chicago streets that's destroying another generation of young people. The videotape replayed around the world of 16-year-old Fenger High School student Derrion Albert being beaten to death during a brawl by students from rival neighborhoods has captured the attention of political leaders like so many other youth murders before it... 'This time, people are maybe looking in the mirrors and figuring out it's all of our problems,' the mayor told a news conference at the Little Black Pearl Art and Design Center, 1060 E. 47th St. 'The difference is, maybe it's striking home [with] more and more people'... The mayor's latest plan includes... using federal stimulus funds to bankroll three hours of daily overtime for 44 officers who will extend their shifts to coincide with school dismissal times." [*Chicago Sun Times*, 10/8/09]

A \$19 billion Recovery Act allocation is going toward rebuilding local roads, returning jobs to areas of Carlyle Lake and Rend Lake. "Millions in the federal stimulus dollars are rebuilding metro-east highways and waterways and returning jobs to the area. Approximately \$19 million in stimulus money has helped refill job vacancies at southern Illinois recreational areas. Both Carlyle Lake and Rend Lake have hired temporary employees. [U.S. Army Corps of Engineers spokesman, George] Stringham said three temporary full-time employees were hired to stay on through September 2010. Another 10 temporary employees were hired this summer, and there are plans to hire 10 more temps next summer... Carlyle Lake hired 15 temporary employees and 13 were temporarily hired at Rend Lake to restore services to camp grounds. According to the federal government's official stimulus-tracking Web site, *www.recovery.gov*, Illinois will have created and saved an estimated 148,000 jobs in the next two years." [*Belville News-Democrat*, 9/21/09]

Recovery Act funds supported 7,300 summer jobs for Chicago youth. "More than 19,000 youths worked this summer, thanks to the City of Chicago's summer job program for youths, Youth Ready Chicago, city officials said. For students and young adults, ages 14 to 24, the city made available 19,100 summer jobs with various public and private agencies throughout Chicago. Nearly \$43 million from federal, state and private funds were made available to pay the workers for summer employment. Federal stimulus funds - \$17.3 million - afforded the city to add 7,300 additional spots to the program..." [*The Chicago Defender*, 9/18/09]

Illinois Institute of Technology applied for \$60 million in *Recovery Act* resources to lower electricity bills, reduce blackouts, make energy cleaner and create green jobs. “Illinois Institute of Technology (IIT) announced today a \$120 million statewide initiative to speed the adoption of the Smart Grid in Illinois. This initiative seeks to bring \$60 million in federal stimulus money to Illinois to lower electricity bills, reduce blackouts, make energy cleaner and create green jobs... The collaboration is nationally significant in that it is working to speed the effective adoption of the Smart Grid through a unique community, consumer, and market-based approach. With engagement at each of these levels, this project provides a format to ensure the expected benefits of Smart Grid adoption are widely adopted. Benefits to Illinois: Lower electricity bills through the Community Implementation model; blackout mitigation and elimination of other power interruptions for homes and businesses; Cleaner energy, and reduced carbon emission, by reducing peak demand for electricity.” [[Chicago Press Release](#), 9/15/09]

Illinois Institute of Technology will direct *Recovery Act* funds to create green jobs, lower electricity bills, reduce blackouts, make energy cleaner. “Illinois Institute of Technology (IIT) announced today a \$120 million statewide initiative to speed the adoption of the Smart Grid in Illinois. IIT is leading the Illinois Smart Grid Collaboration with the University of Illinois at Urbana-Champaign (UIUC), the State of Illinois, the City of Chicago, Village of Oak Park, Galvin Electricity Initiative, and more than 50 companies to make Illinois a hub for the effective innovation, validation, deployment and evaluation of Smart Grid technology. This initiative seeks to bring \$60 million in federal stimulus money to Illinois to lower electricity bills, reduce blackouts, make energy cleaner and create green jobs. ‘This Collaboration will help create an electrical grid that is secure and reliable,’ said Illinois Governor Pat Quinn. ‘This investment will create jobs and ensure Illinois families and businesses have access to technology that will lower their energy use, and their energy costs.’” [[Reuters](#) 09/09/09]

The number of jobs created or saved by the *Recovery Act* increased by more than 50 percent from June to July. “The number of jobs created or saved by infrastructure projects funded by the U.S. economic stimulus plan increased by more than 50 percent in July from June, according to a report on Wednesday. By the end of July, 77,470 jobs had been ‘created or sustained’ by water, highway and public transportation projects, compared to slightly less than 50,000 jobs at the end of June, said the report from a House of Representatives committee. A single state, Illinois, accounted for nearly a fifth of the total by creating or sustaining 15,388 jobs, according to the House Transportation and Infrastructure Committee... California, which was given a large share of the infrastructure funds included in the \$787 billion stimulus plan, tallied 10,146 jobs. There have been 5,953 jobs created or sustained in Texas, which also received a significant portion of the transportation earmarks.” [[Reuters](#), 9/2/09]

The Illinois Department of Transportation estimates that the recovery act has funded 21,000 hours of work. “The federal stimulus package put John Viveros back to work. A construction worker without anything to build, he didn’t have a steady job from December until May. He kept busy with the occasional odd job, but nothing like the 60-hour work weeks he was used to... Then, the American Recovery and Reinvestment Act brought about \$6 million in road work to Winnebago and Boone counties. Since May, those projects have provided 21,000 hours of work — the equivalent of more than 40 full-time jobs, according to the Illinois Department of Transportation... Dal Santo estimates that as many as 30 members of his local went from no work to getting at least some because of the stimulus. Others increased their workload... Viveros, the construction worker, is one of several people who are raising more than 200 manholes along the resurfaced stretch of Illinois 2 in downtown Rockford. He looks forward to other work — building projects, utility pipelines and other roads. But he said he and his co-workers are glad the stimulus package gave them something to do in the meantime.” [[BusinessRockford.com](#), 8/23/09]

Canton, Illinois awarded A *Recovery Act* funded grant to build infrastructure for a bio-medical manufacturing facility and business park, creating up to 300 jobs. “A \$1.6 million grant of federal stimulus funds has been awarded to the City of Canton to help build infrastructure for a bio-medical manufacturing facility and business park, U.S. Commerce Secretary Gary Locke announced Monday. Mayor Kevin Meade said the grant, which Canton applied for, will be used for curb and gutter work, a water run-off system and roads at the former International Harvester site for the Cook Canton project, according to reports. Meade said the infrastructure projects will help not only the Cook site but make the entire development more attractive to other potential businesses. The project, made possible by the American Recovery and Reinvestment Act of 2009, is expected to create additional jobs and generate private investment in the region, Locke said. He added, “The Obama Administration is committed to creating jobs, encouraging innovation and improving our nation’s economic competitiveness. This grant will help diversify the Canton area’s economy and create new higher-skilled, higher-wage jobs in the bio-medical sector.” [[The Daily Ledger](#), 8/18/09]

450 Illinois students enrolled in *Recovery Act*-sponsored employment and training program. “Thalia Reyes, 16, is spending her summer making new friends, earning money and learning job skills as she explores nature on the site of a former auto-racing track. ‘This has been a real good work experience,’ said Reyes, taking a break this week from clearing brush and pulling up non-native plants at the 330-acre Raceway Woods in Carpentersville... The Larkin High School senior said she is learning things she never would have experienced thanks to the youth employment program administered through Elgin Community College and the Kane County Department of Employment and Education. The work is being funded through a \$2.1 million allocation from the American Recovery Reinvestment Act. This summer the program has placed 450 students between the ages of 16 and 21 at 375 job sites in Kane, DeKalb and Kendall Counties, said Dee Reinhardt, a Kane marketing coordinator.” [[Chicago Tribune](#), 7/17/09]

Business employment skills team increased capacity of youth training and displaced worker programs using *Recovery Act* funds. “Pam Furlan, BEST executive director, said many youths are working in parks as part of the program, which can employ up to 300 people. ‘The recovery act allowed us to help more people,’ Furlan said. The program, for those who are 14 to 24 years of age and meet federal eligibility guidelines, is the largest it’s been since 2001, in large part to the American Recovery and Reinvestment Act. ‘The purpose is certainly to help businesses but also to make sure the youths are gaining some real skills,’ Furlan said... BEST was awarded \$2,072,906 of the \$122,768,467 received state-wide for Bureau, Putnam, La Salle and Lee counties, Furlan said. In addition to the summer youth program, the funds have been used for adult services, \$370,005; youth, \$716,905, which includes the summer program; and 965,996 for dislocated workers.” [[Ottawa Times](#), 6/29/09]

Randolph and Monroe Counties slated to receive \$1.5 million in *Recovery Act* funds, saving over 400 jobs, permitting job retraining, and factory maintenance. “Spartan Light Metals Products in Sparta is getting \$734,000 for retooling machinery and employee retraining. Funding will help the city retain nearly 300 jobs. The village of Valmeyer in Monroe County will get \$750,000 to stabilize a steel ceiling in the Rock City development, allowing 100 jobs to be retained. KBMJ, Inc. will get \$85,000 as a new business to serve Monroe County as a full service print shop. The operation will support two full-time jobs and one part-time job. All funding comes from the American Recovery and Reinvestment Act of 2009, legislation signed earlier this year by President Barack Obama. [[Southern Illinoisan](#), 6/25/09]

Recovery Act dollars allotted to Illinois create employment opportunities and training programs for hundreds of underprivileged teenagers. “The State of Illinois says hundreds of teenagers will be matched with summer jobs thanks to federal stimulus money. Experts say jobs can be a good way to keep young people off the streets, out of trouble and away from violence. The summer job outlook for teens had looked bleak with companies cutting back this year. But the state reported Thursday 2,500 young people will be matched with summer jobs thanks to the American Recovery and Reinvestment Act of 2009. That's on top of 15,000 jobs that were already available. [[WLS—ABC Chicago](#), 6/4/09]

Vermilion County receives \$449,719 to support employment programs for young people, providing otherwise nonexistent jobs through several agencies. “This summer, Renae Adams hopes to find a job typing and filing, or landscaping. Jeffrey Harris hopes to land work building or remodeling a house. You might think that could be pretty tough in this tight job market, especially since Harris and Adams are teens. But two new summer youth work programs funded with federal stimulus money could give them and other Vermilion County residents, ages 14 to 24, a chance to do that.” [[Urbana-Champaign News-Gazette](#), 6/4/09]

Fortune’s “Meet the stimulus hires” – Esmeralda Pineda, Chicago. “One Tuesday afternoon last year, everyone was told their hard work had been appreciated, but there was no choice but to close the company down...Now I'm working for a bigger company and learning new roles, like helping out in HR. I'm traveling, meeting different kinds of people in different time zones. There's no more promotion ceiling on my job. I even got to meet Vice President Biden when he toured our factory. It feels great to be part of something big.” [[Fortune](#), 6/1/09]

Southern Illinois University, Carbondale received funding for student and teacher training from the National Institute of Health. By supporting jobs in the fields of education and science, the funding also provides additional benefits that will result from the training. [[The Southern](#), 5/26/09]

Elgin Community College will use Recovery Act funds to create a summer jobs program for 16 to 24 year olds. “The program offers participants a chance to serve their community by working on green projects, earn a salary, and receive educational resources.” [[Northwest Herald](#), 5/12/09]